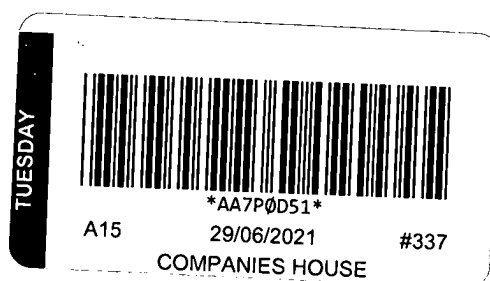


COMPANY REGISTRATION NO. 01235332 (England and Wales)

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020



ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

COMPANY INFORMATION

Directors	Mr W A Godfrey	
	Mrs H J Ingram	
	Mr M C Jones	
	Mrs T L Pike	
	Mr M Binmore	(Appointed 1 October 2020)
	Mr B R Pike	(Appointed 1 October 2020)
	Ms M Pike	(Appointed 1 October 2020)
	Mr D Pattison	(Appointed 1 October 2020)
Secretary	Mrs T L Pike	
Company number	01235332	
Registered office	Park Road Abergavenny Monmouthshire United Kingdom NP7 5PF	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	
Bankers	Lloyds TSB 54 Cross Street Abergavenny Monmouthshire NP7 5HB	

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 28

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the year ended 30 September 2020.

Promoting the success of the company

The directors of the company act in good faith to promote the success of the company, in a fair manner with high standards of business conduct.

The directors recognise their responsibilities under the Act and are satisfied they have met their duties regarding these matters.

The directors fulfil their duties through a governance framework that delegates some of the day-to-day decision making to employees of the company, particularly branch managers.

Business relationships and conduct

The directors acknowledge the importance of the company's customers to the continued success of the company and place great emphasis on customer relationships and product quality in determining key operational decisions.

We are committed to providing the highest levels of service. We have dedicated client service teams who are responsible for managing our customer relationships ensuring their needs are met. We hold regular meetings with our major customers focusing on key areas such as quality and delivery times.

The company supplier relationships are paramount to ensuring high quality product can be obtained on terms that can satisfy customer demand and the directors are ever mindful of the need to maintain and enhance good supplier relations in the strategy they deliver for the company.

Employees and employee participation

The company has always been committed to recruiting, developing and retaining a strong and diverse workforce.

The directors recognise the roles which employees bring to the success of the company, through skill, experience and commitment; their wellbeing is a priority of the directors.

The company's policy is to consult and discuss with employees, matters likely to affect employees' interests.

Community and Environment

The directors are mindful of the impact the company's operations have on the community and the environment.

The company is aware of its corporate social accountability, particularly in its interaction with neighbours and the environment.

Fair review of the business

The company is a family owned business operating a number of branches of Builders Merchants in the South Wales area.

The company offers a range of products from building and plumbing materials, timber and joinery, flooring, roofing, decorating products to kitchens and bathrooms and an impressive range of garden features, including natural stone paving, decking, water features and fencing and timber structures.

Trading during the year was heavily impacted by the COVID-19 pandemic, with the company forced to temporarily close all its branches for several weeks in March/April. Despite this the company managed to achieve improvements in Turnover, Gross Profit and Profit before Tax.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Key performance indicators

The key performance indicators that the Board monitor with regard to financial performance are as follows:

	2019/20	2018/19
	£'000	£'000
Turnover	39,812	39,122
Gross Profit	12,270	10,800
Gross profit margin	30.8%	27.6%

On 1 July 2019, the trade and assets of Abergavenny Agricultural Supplies Limited, Robert Price (Builders' Bitz) Limited formerly Robert Price (Roofing Supplies) Limited and Robert Price (Timber Merchants) Limited were hived up to the company. As a result of the hive up, the current year results include 12 months activity of the additional companies compared to 3 months activity in the prior year. On a like for like basis on the prior year, turnover would have been c. £47.3m and gross profit of c. £12.5m; an underlying decrease in turnover by 15.8%.

The directors will aim to continue to improve the company performance by making use of these KPIs, in addition to monitoring crucial non-financial matters including health and safety, employee retention, stock availability and customer satisfaction.

At the year end the balance sheet remains in a strong position, with significant cash balances being held and shareholders' funds standing at £16.0 million (2019: £15.2 million).

The prospects for the company's business in the short to medium term are generally positive with demand and margins remaining in line with expectations.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including economic risk, price risk, credit risk and liquidity risk. The use of financial instruments is monitored by the board of directors. The company's principal financial instruments comprise bank balances, current asset investments and trade debtors.

Economic risk - The economic risk is based upon the continued risk of a shortage of material supplies, together with inflationary pressures in the construction industry leading to a downturn in demand. These risks are managed by ongoing evaluation of future demands and the supply chain necessary to meet such demands, to enable the directors to take action for mitigation and re-evaluate strategy accordingly. The directors are confident that remaining vigilant to potential risk factors, carrying out constant evaluation and being actively involved in the company, affords the company a high level of risk management.

Financial Risk - The financial risks faced by the business are focused around credit and liquidity

Credit risk - The credit risk is attributable to trade debtors. The amounts shown in the financial statements are after bad and doubtful debt provisions. These are based on policies implemented to manage the credit risk and require credit checks on customers and prospects. The amount of exposure to any single customer is subject to credit limits which are regularly reviewed. The company also uses credit insurance to mitigate the risk.

Liquidity risk - The company has limited exposure to liquidity risk as a consequence of having limited long-term external borrowings. The company manages liquidity risk by monitoring working capital and ensuring there are sufficient funds to meet future payments.

Loans relating to assets held under hire purchase contracts are secured upon the assets to which they relate.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Business environment and strategy

As a regional independent business, the company continues to operate in South Wales and is focussed on the Repairs, Maintenance and Improvements (RMI) marketplace and the regional customers who operate within this sector. The market in which the company operates is expected to remain robust given continued demand for residential RMI, both within the private and social housing market.

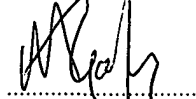
The strategy for the company continues to be to maintain its position as the independent merchant of choice in South East Wales. To achieve this, the company will focus on its ability to meet customers' expectations by investing in stock range and availability, staff and equipment.

COVID-19

Following the temporary closure of all its branches during March/April 2020 the company introduced strategies to enable fulfilment of the needs of customers whilst employing safe working practices. This enabled the company to maintain its high-performance levels and remain open during subsequent lockdowns.

The directors have taken all appropriate steps in order to protect the business and staff from the ongoing COVID-19 pandemic. The directors continue to monitor the situation closely and are able to adapt policy as the environment, guidance and law changes.

On behalf of the board



Mr W A Godfrey

Director

25.06.21

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020.

Principal activities

The principal activity of the company continued to be that of a builders and plumbers merchants and the management of its investment business and associated assets.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr W A Godfrey

Mrs H J Ingram

Mr M C Jones

Mrs T L Pike

Mr M Binmore

(Appointed 1 October 2020)

Mr B R Pike

(Appointed 1 October 2020)

Ms M Pike

(Appointed 1 October 2020)

Mr D Pattison

(Appointed 1 October 2020)

Results and dividends

The results for the year are set out on page 8, a review of business is set out in the strategic report on page 1.

Ordinary dividends were paid amounting to £1,500,000. The directors do not recommend payment of a further dividend.

Auditor

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

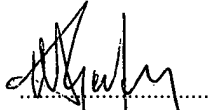
Energy and carbon report

Details around the company's energy and carbon usage are included in the parent company consolidated accounts.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
Mr W A Godfrey
Director

Date: 25.06.21.....

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

Opinion

We have audited the financial statements of Robert Price (Builders Merchants) Limited (the 'company') for the year ended 30 September 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

**Mr John Griffiths (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

25/06/2021
.....

**Chartered Accountants
Statutory Auditor**

Newport
South Wales
United Kingdom

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

		2020	2019
	Notes	£	As restated (Note 28) £
Turnover	3	39,812,396	39,121,863
Cost of sales		(27,542,662)	(28,321,419)
Gross profit		12,269,734	10,800,444
Administrative expenses		(9,833,227)	(9,475,804)
Other operating income		533,708	-
Operating profit	4	2,970,215	1,324,640
Interest receivable and similar income	7	101,192	331,992
Interest payable and similar expenses	8	(4,094)	(7,105)
Other gains and losses	9	(158,055)	141,745
Profit before taxation		2,909,258	1,791,272
Tax on profit	10	(546,815)	(284,201)
Profit for the financial year		2,362,443	1,507,071

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020	2019
		As restated
	£	(Note 28)
		£
Profit for the year	2,362,443	1,507,071
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,362,443</u>	<u>1,507,071</u>

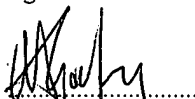
ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

		2020		2019	
	Notes	£	£	As restated (Note 28)	£
Fixed assets					
Tangible assets	12		272,644		1,494,258
Investments	13		24,654		24,654
			<u>297,298</u>		<u>1,518,912</u>
Current assets					
Stocks	15	6,921,547		6,940,720	
Debtors	16	5,324,175		6,813,705	
Investments	17	3,399,976		3,491,541	
Cash at bank and in hand		7,635,489		4,153,486	
		<u>23,281,187</u>		<u>21,399,452</u>	
Creditors: amounts falling due within one year	18	(7,544,312)		(7,664,592)	
Net current assets			<u>15,736,875</u>		<u>13,734,860</u>
Total assets less current liabilities			<u>16,034,173</u>		<u>15,253,772</u>
Creditors: amounts falling due after more than one year	19		(1,418)		(35,658)
Provisions for liabilities	21		-		(47,802)
Net assets			<u><u>16,032,755</u></u>		<u><u>15,170,312</u></u>
Capital and reserves					
Called up share capital	24		103		103
Revaluation reserve			-		741,738
Profit and loss reserves			16,032,652		14,428,471
Total equity			<u><u>16,032,755</u></u>		<u><u>15,170,312</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25.09.21 and are signed on its behalf by:


 Mr W A Godfrey
 Director

Company Registration No. 01235332

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 30 September 2019:					
Balance at 1 October 2018		103	741,738	14,121,400	14,863,241
Year ended 30 September 2019:					
Profit and total comprehensive income for the year		-	-	1,507,071	1,507,071
Dividends	11	-	-	(1,200,000)	(1,200,000)
Balance at 30 September 2019		103	741,738	14,428,471	15,170,312
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	2,362,443	2,362,443
Dividends	11	-	-	(1,500,000)	(1,500,000)
Transfers		-	(741,738)	741,738	-
Balance at 30 September 2020		103	-	16,032,652	16,032,755

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Robert Price (Builders Merchants) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Park Road, Abergavenny, Monmouthshire, United Kingdom, NP7 5PF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Robert Price & Sons Limited. These consolidated financial statements are available from its registered office, Park Road, Abergavenny, Monmouthshire, NP7 5PF.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Robert Price (Builders Merchants) Limited is a wholly owned subsidiary of Robert Price & Sons Limited and the results of Robert Price (Builders Merchants) Limited are included in the consolidated financial statements of Robert Price & Sons Limited which are available from the company's registered office; Park Road, Abergavenny, Monmouthshire, NP7 5PF.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	Not depreciated
Plant and machinery	20% on cost
Motor vehicles	25% on cost

No depreciation is charged on freehold property since the directors consider that there is no significant difference between the residual value and the carrying value and therefore any depreciation would be negligible.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020****2 Judgements and key sources of estimation uncertainty****(Continued)****Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of stocks

Stocks are valued at the lower cost and net realisable value. The carrying value of stock at the year end is £6,921,547 (2019: £6,940,720). Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Sale of goods	39,812,396	39,121,863
	<u>2020</u>	<u>2019</u>
	£	£
Other significant revenue		
Interest income	50,501	19,590
Dividends received	50,691	312,402
Grants received	533,708	-
	<u>2020</u>	<u>2019</u>
	£	£

Grants relate to money received under the furlough scheme.

All revenue is derived from the company's single geographical market in the United Kingdom.

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(533,708)	-
Fees payable to the company's auditor for the audit of the company's financial statements	20,450	18,000
Depreciation of owned tangible fixed assets	132,587	99,024
Depreciation of tangible fixed assets held under finance leases	45,759	98,386
Loss/(profit) on disposal of tangible fixed assets	5,300	(12,434)
Operating lease charges	174,995	93,104
	<u>2020</u>	<u>2019</u>
	£	£

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020****5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Selling and distribution staff	210	182
Administrative staff	37	40
Total	<u>247</u>	<u>222</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	6,066,406	5,488,573
Social security costs	557,830	509,283
Pension costs	238,583	206,562
	<u>6,862,819</u>	<u>6,204,418</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	<u>96,260</u>	<u>117,318</u>

Mr W A Godfrey and Mrs T L Pike are remunerated by Robert Price & Sons Limited for their services to the group as a whole, it is not practicable to allocate their remuneration between their services to the company and the services to other group companies.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Interest receivable and similar income

	2020	2019 As restated (Note 28)
	£	£
Interest income		
Interest on bank deposits	18,419	19,549
Other interest income	32,082	41
	<u>50,501</u>	<u>19,590</u>
Other income from investments		
Dividends received	50,691	85,936
	<u>101,192</u>	<u>105,526</u>
Income from fixed asset investments		
Income from shares in group undertakings	-	226,466
	<u>101,192</u>	<u>331,992</u>
Investment income includes the following:		
Dividends from financial assets measured at fair value through profit or loss	<u>50,691</u>	<u>85,936</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on finance leases and hire purchase contracts	<u>4,094</u>	<u>7,105</u>

9 Other gains and losses

	2020	2019
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(266,747)	141,825
Other gains/(losses)		
Gain/(loss) on disposal of financial assets held at fair value through profit or loss	108,692	(80)
	<u>(158,055)</u>	<u>141,745</u>

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	<u>600,033</u>	<u>267,843</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

10 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences

(57,363)

16,358

Changes in tax rates

4,145

-

Total deferred tax

(53,218)

16,358

Total tax charge

546,815

284,201

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	2,909,258	1,791,272
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	552,759	340,342
Tax effect of expenses that are not deductible in determining taxable profit	1,780	-
Tax effect of income not taxable in determining taxable profit	(9,595)	(49,339)
Effect of change in corporation tax rate	4,145	-
Other permanent differences	(2,274)	(6,802)
Taxation charge for the year	546,815	284,201

11 Dividends

	2020 £	2019 £
Final paid	1,500,000	1,200,000

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

12 Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 October 2019	1,116,650	1,773,007	779,709	3,669,366
Additions	-	82,382	-	82,382
Disposals	-	(80,719)	(132,841)	(213,560)
Transfers	(1,116,650)	-	-	(1,116,650)
At 30 September 2020	-	1,774,670	646,868	2,421,538
Depreciation and impairment				
At 1 October 2019	-	1,536,460	638,648	2,175,108
Depreciation charged in the year	-	124,093	54,253	178,346
Eliminated in respect of disposals	-	(80,719)	(123,841)	(204,560)
At 30 September 2020	-	1,579,834	569,060	2,148,894
Carrying amount				
At 30 September 2020	-	194,836	77,808	272,644
At 30 September 2019	1,116,650	236,547	141,061	1,494,258

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Motor vehicles	37,850	101,061

Freehold property is held at valuation. If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	-	585,800
Accumulated depreciation	-	(210,888)
Carrying value	-	374,912

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

13 Fixed asset investments

		2020	2019
	Notes	£	As restated (Note 28) £
Investments in subsidiaries	14	24,654	24,654

Movements in fixed asset investments

		Shares in group undertakings £
Cost or valuation		
At 1 October 2019 & 30 September 2020		24,654
Carrying amount		
At 30 September 2020		24,654
At 30 September 2019		24,654

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Direct
Abergavenny Agricultural Supplies Limited	Dormant	Ordinary	100.00
Gower Timber (Holdings) Limited	Dormant	Ordinary	100.00
Monmouthshire Farming Supplies Limited	Dormant	Ordinary	100.00
Robert Price Building Supplies Limited	Dormant	Ordinary	100.00

The registered office for Abergavenny Agricultural Supplies Limited, Monmouthshire Farming Supplies Limited, Robert Price Building Supplies Limited and Gower Timber (Holdings) Limited is Robert Price (Bm) Ltd, Park Road, Abergavenny, Gwent, NP7 5PF.

15 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	6,921,547	6,940,720

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

16 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	4,606,867	5,798,687
Amounts owed by group undertakings	253,401	625,308
Other debtors	51,901	36,245
Prepayments and accrued income	394,023	353,465
	<u>5,306,192</u>	<u>6,813,705</u>
	2020	2019
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 22)	<u>17,983</u>	<u>-</u>
Total debtors	<u>5,324,175</u>	<u>6,813,705</u>

17 Current asset investments

	2020	2019
	£	£
Listed investments	<u>3,399,976</u>	<u>3,491,541</u>
Listed investments included above:		
Listed investments carrying amount	<u>3,399,976</u>	<u>3,491,541</u>

18 Creditors: amounts falling due within one year

		2020	2019
	Notes	£	£
Obligations under finance leases	20	34,239	62,688
Trade creditors		3,038,480	3,720,247
Amounts owed to group undertakings		1,137,009	759,208
Corporation tax		234,499	79,649
Other taxation and social security		657,335	633,047
Other creditors		1,660,800	1,582,655
Accruals and deferred income		781,950	827,098
		<u>7,544,312</u>	<u>7,664,592</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

19 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	20	1,418	35,658

20 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	34,239	62,688
In two to five years	1,418	35,658
	<u>35,657</u>	<u>98,346</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	22	-	47,802

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Balances:				
Accelerated capital allowances	-	(16,160)	24,274	-
Revaluations	-	12,567	-	-
Investments	-	51,395	(6,291)	-
	<u>-</u>	<u>47,802</u>	<u>17,983</u>	<u>-</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

22 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 October 2019	47,802
Credit to profit or loss	(53,218)
Transfer to group company	(12,567)
Asset at 30 September 2020	<u>(17,983)</u>

23 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>238,583</u>	<u>206,562</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

24 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
103 ordinary shares of £1 each	<u>103</u>	<u>103</u>

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	181,936	135,614
Between two and five years	452,132	370,838
In over five years	243,328	263,322
	<u>877,396</u>	<u>769,774</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

26 Ultimate controlling party

The company is ultimately controlled by its parent company, Robert Price and Sons Limited, which in turn is ultimately controlled by Mr W A Godfrey, by virtue of his shareholding. Robert Price & Sons Limited is the parent of the largest and smallest group of which the company is a member and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Robert Price & Sons Limited are available from the company's registered office; Park Road, Abergavenny, Monmouthshire, NP7 5PF.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

27 Related party transactions

On 30 September the company received dividends of £nil (2019: £1,458,585) and £nil (2019: £97,454) respectively from Gower Timber Holdings Limited and Abergavenny Agricultural Supplies Limited.

The company paid a dividend of £1,500,000 (2019: £1,200,000) to its parent company, Robert Price & Sons Limited.

At the year end the company was owed £nil (2019: £376,888) by Robert Price & Sons Limited, its parent company. This amount is included within debtors due within one year.

At the year end the company owed £377,801 (2019: £nil) to Robert Price & Sons Limited, its parent company. This amount is included within creditors due within one year.

At the year end the company was owed £253,401 (2019: £248,420) by Gower Timber Limited, a group company. This amount is included within debtors due within one year.

At the year end the company owed £734,019 (2019: £734,019) to Robert Price (Builders' Bitz) Limited formerly Robert Price (Roofing Supplies) Limited a group company and £600 (2019: £600) to Abergavenny Agricultural Supplies Limited, and £24,589 (2019: £24,589) to Gower Timber Holdings Limited which are subsidiary companies. These amounts are included within creditors due within one year.

During the year the company purchased goods and services in the normal course of business from P. Davies and Sons Limited a company related by common directorships for £1,870,676 (2019: £1,458,197). At the year end the amount due to P Davies and Sons Limited was £1,349,991 (2019: £1,173,907). This amount is included within creditors due within one year.

During the year the company rented properties in the normal course of business from Robert Price and Sons No. 2 Pension Scheme, a scheme with common trustees for £543,200 (2019: £468,200).

During the year the company made sales of £21,503 (2019: £4,667) to Heath & Cowles, a partnership of which Mrs K Godfrey, wife of the director Mr W A Godfrey, is a partner. At the year end the company was owed £1,025 (2019: £692) by Heath & Cowles. This amount was included within debtors due within one year.

At the year end the company was owed £9,999 (2019: £9,999) by Mr M C Jones, a director of the company. This amount is included within debtors due within one year.

At the year end the company owed £nil (2019: £130,108) to Mr W A Godfrey, a director of the company. This amount is included within creditors falling due within one year.

28 Prior period adjustment

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 30 Sep 2019 £
Fixed assets			
Investments	1,354,227	(1,329,573)	24,654
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	15,758,044	(1,329,573)	14,428,471
	<u> </u>	<u> </u>	<u> </u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020****28 Prior period adjustment****(Continued)****Changes to the profit and loss account**

	As previously reported	Adjustment	As restated
Period ended 30 September 2019	£	£	£
Income from shares in group undertakings	1,556,039	(1,329,573)	226,466
Profit for the financial period	<u>2,836,644</u>	<u>(1,329,573)</u>	<u>1,507,071</u>

In the prior year a dividend of £1,458,585 was received from Gower Timber Holdings Limited. £1,329,573 of this should have been applied to the cost of the company's investment in Gower Timber Holdings Limited as a "return of investment" as Gower Timber Holdings is dormant.